



CITIZENS' REVENUE REVIEW AND ECONOMIC COMPETITIVENESS COMMISSION

**MEETING MINUTES FOR
THURSDAY, JUNE 3, 2010, AT 5:30 P.M.
COUNCIL CHAMBERS (12TH FLOOR)
CITY ADMINISTRATION BUILDING
202 C STREET, SAN DIEGO, CALIFORNIA**

The meeting was called to order at 5:30 PM by Chair Bob Nelson.

Commissioners Present: Barros, Morton, Gin, Singh, Nelson

Commissioners Absent: Moser, Standifird, Bonnano

NON-AGENDA PUBLIC COMMENT: None.

COMMISSIONER COMMENT(s):

- Chairman Nelson thanked Commissioner Gin for keeping up on the meetings and looks forward to his regular attendance.

**COUNCILMEMBER, CITY ATTORNEY, IBA, CITY AUDITOR AND MAYORAL STAFF
COMMENT:** None.

ADOPTION AGENDA: Action not required.

INFORMATION/DISCUSSION ITEMS: None.

STANDING ITEMS/UPDATES: None.

ACTION ITEMS:

ITEM-I Commission Discussion on Revenue Review

- Commissioner Barros asked the Commission to consider bringing forward some revenue options to community meetings, rather than holding off on recommendations until later.
- Chairman Nelson expressed interest in the sales tax possibility, especially since it potentially raises \$103-million per year, but noted that some may consider it “regressive.” It was noted by various Commissioners that, in California, sales taxes exempt housing, groceries, medicine, and all services so the regressive effect is minimal. Commissioner Singh and Gin expressed agreement to move forward on bringing ½ cent sales tax to community meetings.
- Commissioners discussed Utility User Tax options (potentially around \$90 million in added revenue) – IBA indicated that possible revenue models are based on average revenue generated in other cities, then adjusted proportionally by population for San Diego; this may or may not be a reasonably close way to approximate.
 - A representative from Cox and Time Warner expressed concerns about any increase in taxes/fees leading to consumers switching to internet-based telephone services or satellite TV or internet services, neither of which is regulated by the City.

- Representative asked that if increases are considered, that cable phone services be exempt.
- Commission discussed proposal of levying a tax on parking receipts (perhaps 10%).
 - Commissioner Morton expressed concern about all the people who have to park downtown for work, to include City employees.
 - Chairman Nelson asked that this proposal be tabled until more information is gathered.
- Commission discussed changing the business tax basis – going from number of employees to a percentage of gross receipts.
 - Chairman Nelson suggested including a lesser rate for first \$100,000 then increased levels above that threshold.
 - Chairman Nelson indicated that the City Administration has not provided sufficient business tax data for the purpose of determining the potential increased revenue if the city moves to gross receipts. Nelson will continue to pursue ways to calculate potential revenues.
- Commission discussed charging for refuse/trash collection. Commission will move it forward to community meetings
 - Several commissioners expressed concern/interest in breakdown of container charges for recyclables/green waste versus non-green/recyclables. Commission wants to get more information on this point. Commissioner Gin, an economist, noted that if the City charges for recycling service it is a disincentive. Also, that variable charges for different sized containers will also create economic incentives. Chair stated the proposal for future discussion will include cost recovery for trash only, with different charges for different container sizes.
- Commission discussed charging for parking at parks/beach areas (based on study from 2005 of up to \$10 for 4 hours of parking – from 8AM-7PM). This option was tabled for further information.
 - Commissioner Gin commented that cost of installing meters needs to be factored in.
- Commissioners discussed accident/negligence fee. Commission dropped this option from consideration.
 - Estimations for revenue potential are unclear and perhaps unattainable. Commissioner Singh expressed discomfort with moving forward on any proposal that doesn't include good revenue estimates. Commissioner Singh also expressed concern with what is considered "negligent."
- A false fire-alarm recovery fee is also being considered, but there is currently insufficient information to debate the issue.
- Commissioners discussed sponsorship revenue possibilities.
 - No specific revenue proposal has yet been presented to or developed by the Commission.
 - Commissioner Gin asked why the Commission is specifically and only discussing lifeguard sponsorship when there are so many other areas that could be considered.
 - There are limitations for sponsorship revenue option, with regard to sign ordinances.
 - This discussion will be tabled until commission hears more information/presentations. Councilman DeMaio is expected to give a presentation related to this topic.

ACTION:

Motion by Commissioner Barros, second by Commissioner Gin, to

- I. Focus on the revenue options in the memo, excluding accident negligence fee. More information is needed for: utilities user tax,

the corporate sponsorship program, beach parking, and the business fee

2. The Commission requests the Budget and Finance Committee to obtain data from the City administration for the following revenue options: beach parking, business taxes, commercial parking tax, and false alarm fees.

VOTE: Motion passed unanimously.

ITEM-2 Commission Discussion on Economic Competitiveness

- Chairman Nelson expressed interest in recommending:
 - Automation of City services and permitting processes.
 - Attracting/retaining high quality employers and the employees they need.
 - A specific proposal on linkage fees to be drafted by Chair Nelson for future discussion.
- Small Business Advisory Board has asked the Commission to consider recommending:
 - Expedited permit processing for historical property owners.
 - Amnesty for business owners with regard to business tax/fees late fees.
- Commission discussed city contracting-out management of airport, golf courses and landfill/s, which was brought up as a economic competitiveness item. There was concurrence to move this item for consideration as a possible revenue item, as Commissioners cannot find a strong nexus to economic competitiveness.
- Chair Nelson recused himself from discussion of the following item, passed the gavel to Vice Chair Barros, and left the dais to prevent the appearance of conflict of interest, explaining that he provides compensated services to the San Diego Tourism Marketing District (TMD). Commission discussed recommending extending the term of the Tourism Marketing District, based on the presentation from the hotel/motel association

ACTION: Motion made by Commissioner Barros to move forward with discussion on extending term of Tourism Marketing District, second by Commissioner Gin. Unanimous, except for Chairman Nelson who abstained and did not participate in discussion.

VOTE: No vote taken.

- Commission discussed investigating ways to pool resources of City, private sector, and Schools to support programs for developing workforce and potential entrepreneurs. No further action on this matter at this time.

ITEM-3 Commission Discussion on Community Meetings

- Two community meetings have been scheduled: 7/15 and 7/29
- Staff provided and Commissioners reviewed a proposed plan for how a community meeting might unfold.

The meeting was adjourned by Chair Bob Nelson at 7:29PM.

Bob Nelson
Chair